Interim consolidated financial statements of

Cantex Mine Development Corp.

January 31, 2009

(Unaudited – Prepared by Management)

Cantex Mine Development Corp.
January 31, 2009

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UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the three and six month periods ended January 31, 2009.

Cantex Mine Development Corp.

Interim consolidated statement of operations and comprehensive loss three and six month periods ended January 31, 2009 and 2008

(Unaudited - Prepared by Management)

	Three months ended January 31,		Six months ended January 31,	
	2009	2008	**2009**	2008
	$	$	**$**	$
Expenses				
Exploration (Note 3 and Schedule)	**487,200**	234,846	**695,457**	411,787
Stock-based compensation	**256,019**	6,473	**256,019**	6,473
General and administrative	**111,866**	45,593	**154,874**	73,013
Interest income and foreign exchange	**2,825**	45,333	**52,579**	(3,799)
Amortization	**25,994**	24,536	**51,987**	49,160
Net loss and comprehensive loss	**(883,904)**	(356,781)	**(1,210,916)**	(536,634)
Loss per common share, basic and diluted	**0.00**	0.00	**0.00**	0.00
Weighted average number of common shares outstanding, basic and diluted	**316,682,019**	302,034,291	**316,682,019**	302,034,291

Cantex Mine Development Corp.

Interim consolidated statement of shareholders' deficiency
three and six month periods ended January 31, 2009 and 2008

(Unaudited - Prepared by Management)

	Number of common Shares	Share capital	Contributed surplus	Deficit	Total shareholders' deficiency
		$	$	$	$
Balance, July 31, 2007	302,574,291	38,458,180	576,000	(39,611,369)	(577,189)
Shares issued in full and final settlement of liabilities	14,107,728	987,541	-	-	987,541
Stock-based compensation expense	-	-	480,085	-	480,085
Share issuance costs	-	(5,734)	-	-	(5,734)
Net loss and comprehensive loss for the year	-	-	-	(1,494,961)	(1,494,961)
Balance, July 31, 2008	316,682,019	39,439,987	1,056,085	(41,106,330)	(610,258)
Stock-based compensation expense	-	-	256,019	-	256,019
Net loss and comprehensive loss for the period	-	-	-	(1,210,916)	(1,210,916)
Balance, January 31, 2009	316,682,019	39,439,987	1,312,104	(42,317,246)	(1,565,155)

Cantex Mine Development Corp.

Interim consolidated balance sheet
as at January 31, 2009

(Unaudited - Prepared by Management)

	January 31, 2009	July 31, 2008
	$	$
Assets		
Current assets		
Cash	**51,469**	20,276
Amounts receivable	**161,440**	29,745
	212,909	50,021
Reclamation bonds	**29,650**	24,557
Property and equipment (Note 4)	**114,407**	166,394
	356,966	240,972
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**169,541**	209,067
Due to related parties (Note 5)	**1,752,580**	642,163
	1,922,121	851,230
Shareholders' deficiency		
Share capital (Note 6)		
Authorized		
Unlimited number of preferred shares without nominal or par value, issuable in series		
Unlimited number of common shares without nominal or par value		
Issued		
316,682,019 common shares (July 31, 2008 - 316,682,019)	**39,439,987**	39,439,987
Contributed surplus	**1,312,104**	1,056,085
Deficit	**(42,317,246)**	(41,106,330)
	(1,565,155)	(610,258)
	356,966	240,972

Nature and continuance of operations (Note 1)
Contingencies (Note 8)

Approved by the Board

"Vernon Frolick"
Vernon Frolick, Director

"Chad Ulansky"
Chad Ulansky, Director

Cantex Mine Development Corp.

Interim consolidated statement of cash flows
three and six month periods ended January 31, 2009 and 2008
(Unaudited - Prepared by Management)

	Three months ended January 31,		Six months ended January 31,	
	2009	2008	**2009**	2008
	$	$	**$**	$
Operating activities				
Net loss	**(883,904)**	(356,781)	**(1,210,916)**	(536,634)
Items not affecting cash				
Amortization	**25,994**	24,536	**51,987**	49,160
Stock-based compensation	**256,019**	6,473	**256,019**	6,473
Unrealized foreign exchange loss	**14,049**	51,307	**63,136**	2,645
Change in non-cash working capital items				
Increase in amounts receivable	**(125,669)**	(8,553)	**(131,695)**	(14,504)
Increase (decrease) in accounts payable and accrued liabilities	**(46,130)**	45,627	**(39,526)**	93,653
	(759,641)	(237,391)	**(1,010,995)**	(399,207)
Investing activities				
Purchase of property and equipment	**-**	(30,670)	**-**	(30,670)
	-	(30,670)	**-**	(30,670)
Financing activities				
Share issue costs	**-**	(5,734)	**-**	(5,734)
Advances from related parties	**737,487**	282,260	**1,042,188**	456,101
	737,487	276,526	**1,042,188**	450,367
Increase (decrease) in cash during the period	**(22,154)**	8,465	**31,193**	20,490
Cash, beginning of period	**73,623**	48,651	**20,276**	36,626
Cash, end of period	**51,469**	57,116	**51,469**	57,116

1. Nature and continuance of operations

Cantex Mine Development Corp. ("Cantex" or the "Company") is incorporated under the laws of the Province of Alberta and its principal business activity is the exploration and development of its mineral properties, either directly or indirectly through joint exploration and development ventures and other arrangements. The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the normal course of business. Since inception, the Company has incurred cumulative losses of $42,317,246 and, for the period ended January 31, 2009, has incurred negative operating cash flow from continuing operations of $1,010,995. At January 31, 2009, the Company has a negative working capital position of $1,709,212. Additional financing will be required for the Company to continue operations. The ability of the Company to continue operations is dependent upon continued financial support of its shareholders, other investors and lenders, and the successful development of the Company's mineral property interests. The Company has not determined whether any of its properties contain mineral reserves that are economically recoverable. If the going concern assumption were not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets and liabilities, the reported net loss and the balance sheet classifications used.

Although the Company has taken steps to verify title to the mineral properties in which it, through its subsidiaries, has an interest, in accordance with industry standards for the stage of exploration of such properties, those procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Basis of presentation

Management has prepared the consolidated financial statements of the Company in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The consolidated financial statements are expressed in the Company's functional currency, Canadian dollars, except where noted.

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Cantex Gold Corp. All significant intercompany balances and transactions have been eliminated.

(b) Economic uncertainty

The Company's principal property and its primary exploration and development activities are taking place in the Republic of Yemen and, as such, the Company is exposed to a number of possible risks over which it has no control. These risks include, but are not necessarily limited to: changes in laws affecting foreign ownership, government participation, taxation, royalties, duties, rates of exchange, inflation, exchange control, repatriation of earnings, civil unrest, civil war and acts of terrorism. The likelihood of these events occurring cannot be predicted at this time. There are no assurances that the current economic and political conditions will continue in Yemen.

2. Basis of presentation (continued)

(c) Adoption of new accounting standards

For the year ended July 31, 2008 the Company early adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA") with respect to financial instruments:

CICA Handbook Section 3861, *Financial Instruments - Disclosure and Presentation*, adopted by the Company on August 1, 2007, has been superseded by Sections 3862 and 3863 below.

Section 3862, *Financial Instruments - Disclosures*. This section describes the required disclosure to evaluate the significance of financial instruments for the entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

Section 3863, *Financial Instruments - Presentation*. This section establishes standards for presentation of financial instruments and non-financial derivatives.

Section 1535, *Capital Disclosures*. This section establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital as well as summary quantitative data on the elements included in the management of capital. The section requires disclosure with respect to compliance with capital requirements and if not, the consequences of such non-compliance.

The impact of the adoption of these new standards is disclosed in Notes 9 and 10 of the consolidated financial statements of the Company.

CICA Handbook Section 1400, "General Standards on Financial Statement Presentation", has been amended to include requirements to assess and disclose and entity's ability to continue as a going concern. This new standard became effective for the Company on August 1, 2008. The adoption of this new accounting standard had no material effect on the Unaudited interim consolidated financial statements for the six month period ended January 31, 2009.

(d) International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("GAAP") with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Mineral property interests

	July 31, 2008		**January 31, 2009**
	Cumulative expenditures	Current year expenditures	**Cumulative expenditures**
	$	$	**$**
Yemen program	20,171,997	655,912	**20,827,909**
West Greenland program	1,694,681	-	**1,694,681**
Nevada program	1,570,372	39,545	**1,609,917**
	23,437,050	695,457	**24,132,507**

	July 31, 2007		July 31, 2008
	Cumulative expenditures	Current year expenditures	Cumulative expenditures
	$	$	$
Yemen program	19,424,595	747,402	20,171,997
West Greenland program	1,694,131	550	1,694,681
Nevada program	1,489,038	81,334	1,570,372
	22,607,764	829,286	23,437,050

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has diligently investigated rights of ownership of all of the mineral concessions in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

4. Property and equipment

			January 31, 2009	July 31, 2008
	Cost	**Accumulated depreciation**	**Net book value**	Net book value
	$	**$**	**$**	$
Field equipment	**504,963**	**395,023**	**109,940**	160,440
Computer equipment	**14,715**	**10,248**	**4,467**	5,954
	519,678	**405,271**	**114,407**	166,394

5. Related party transactions and balances

	January 31, 2009	July 31, 2008
	$	$
Due to related parties		
To a company controlled by a director for laboratory and mineralogical costs	**217,192**	-
To a director and shareholder for geological fees	**29,884**	-
To a company controlled by a director for exploration expenditures advances to the Company	**1,272,300**	481,474
To a company controlled by a director for shared office and administrative charges	**66,827**	21,834
To a company controlled by a director for shared field expenditures	**337**	337
To a company controlled by a director for geological fees	**158,172**	137,083
To a company with common directors and management for shared administrative charges	**7,868**	1,229
To a company with common directors and management for shared field expenditures	**-**	206
	1,752,580	642,163

Amounts due to related parties have no fixed terms of repayment, are unsecured and are non-interest bearing.

The following transactions were in the normal course of operations and measured at the exchange value which represented the amount of consideration established and agreed to by the related parties:

	Six month period ended January 31,	
	2009	2008
	$	$
Amounts paid or accrued		
To a company controlled by a director for laboratory and mineralogical costs	**206,849**	-
To a director and shareholder for geological fees	**28,461**	-
To a company controlled by a director for office and administrative costs	**19,899**	14,316
To a company controlled by a director for geological consulting fees	**20,780**	83,610
To a company with common directors and management for office and administrative costs	**6,259**	1,461
To a company with common directors and management for shared field expenditures	**-**	253
	282,248	99,640
Recoveries recorded		
From a company with common directors and management for shared field expenditures	**299**	-
	299	-

6. Share capital and contributed surplus

Stock option plan

On January 29, 2009, shareholders approved and the Company implemented a new stock option plan (the "Plan"). Under the Plan, the total number of options outstanding is not to exceed 5% of the aggregate issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, except as determined by the Board of Directors, and are exercisable for up a period of up to ten years from the date of grant.

During the current period, the Company granted 7,200,000 options to certain officers and directors. Each of these options vest immediately and allow the holder to purchase one common share in the Company at a price of $0.10 until January 28, 2019. As a condition of these new grants, 6,000,000 options, originally granted to those certain officers and directors, with an exercise price of $0.10, were cancelled.

Details are as follows:

	Number	Weighted Average Exercise price
		$
Outstanding, July 31, 2008	10,090,000	0.14
Granted	7,200,000	0.10
Excercised	-	-
Expired	-	-
Cancelled	(6,000,000)	0.10
Outstanding, January 31, 2009	11,290,000	0.13

The following incentive stock options were outstanding and exercisable at January 31, 2009:

Number	Exercise price	Expiry date
	$	
100,000	0.10	November 26, 2012
3,990,000	0.20	March 19, 2013
7,200,000	0.10	January 28, 2019
11,290,000		

Stock-based compensation

During the current period, the Company recognized stock-based compensation of $256,019 (2008 - $6,473) in the statement of operations as a result of the issuance of incentive stock options granted and vested. The weighted average fair value of options granted was valued at $0.05 per option (2007 - $0.06) using the Black-Scholes option pricing model with an expected volatility of 84%, a risk free interest rate of 2.11%, an expected life of 3 years and an expected dividend yield of 0%.

7. Segmented information

The Company manages its business as a single operating segment: mineral exploration. The Company operates in both foreign and domestic countries as follows:

	Six month period ended January 31,	
	2009	2008
	$	$
Loss		
Canada	**463,472**	76,891
Yemen	**707,899**	378,044
United States of America	**39,545**	81,149
Greenland	**-**	550
	1,210,916	536,634

	January 31, 2009	July 31, 2008
	$	$
Property and equipment		
Yemen	**114,407**	166,020
Canada	**-**	374
	114,407	166,394

8. Contingencies

(a) The Company has not paid filing fees and the CTC exemption fees for subsidiaries incorporated under the Income Tax (Jersey) Act in the Channel Islands and consequently during fiscal 2004 these companies were involuntarily dissolved. The Income Tax (Jersey) Act includes provisions to assess penalties and, due to the loss of tax-exempt status of these subsidiaries, additional income taxes for instances of non-compliance. It is not possible at this time to make an estimate of the amount, if any, of taxes, fees or penalties that may result and accordingly, no provision has been made for any additional income taxes or related costs.

(b) The Company is from time to time involved in various claims, legal proceedings and tax assessments arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial conditions or future results of operations of the Company.

9. Capital management

The Company includes cash and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital.

The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

9. Capital management (continued)

The Company expects its current capital resources will not be sufficient to complete its exploration and development plans and operations through its current operating period and will be required to raise additional funds through future equity issuances or secure other financing. To date, the Company has relied on advances from related parties to fund its operations and expects continued financial support through the next twelve months. The Company is currently not subject to externally imposed capital requirements. The Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in secure deposits in large Canadian financial institutions.

The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

10. Financial instruments and risk management

The Company has classified each financial instrument into the following categories: held-for-trading assets and liabilities, loans and receivables, held-to-maturity investments, available-for-sale financial assets, and other financial liabilities. Subsequent measurement of the financial instruments is based on their classification.

The Company has made the following classifications:

- Cash is classified as financial assets held-for-trading and are measured on the balance sheet at fair value;

- Accounts receivable are classified as loans and receivables and are initially measured at fair value and subsequent periodic revaluations are recorded at amortized cost using the effective interest rate method; and

- Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value and subsequent periodic revaluations are recorded at amortized cost using the effective interest rate method.

The Company's financial instruments are exposed to certain financial risks, including currency, credit, liquidity and price risk.

(a) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Yemen and as such, a portion of its expenses are incurred in the local currency and US dollars. A significant change in the currency exchange rates could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At January 31, 2009, the Company is exposed to currency risk relating to funds held in U.S. dollars and Yemen rials with a value of approximately $40,213.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held through a large Canadian financial institution with a high investment grade rating.

10. Financial instruments and risk management (continued)

(c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 9 to the consolidated financial statements.

Accounts payable and accrued liabilities are due within the current operating period.

(d) *Price risk*

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

11. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

Cantex Mine Development Corp.

Interim consolidated schedule of exploration expenses
three and six month periods ended January 31, 2009 and 2008
(Unaudited - Prepared by Management)

	Three months ended January 31,		Six months ended January 31,	
	2009	2008	**2009**	2008
	$	$	**$**	$
Consulting and engineering	**233,216**	18,931	**286,013**	70,362
Travel, field costs and other	**133,786**	31,409	**192,861**	121,555
Wages	**109,996**	147,945	**157,897**	147,945
Licenses and permits	**-**	-	**34,707**	35,364
Living costs	**10,202**	36,561	**23,979**	36,561
	487,200	234,846	**695,457**	411,787